

## Remarks for the Greater Indianapolis Progress Committee

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Good morning. I'd like to thank Murray Clark for welcoming me, and all of you for joining us this morning.

Many times in the past five years, I have come to this forum to speak on topics that fit with this group's mission of progress for Indianapolis. This morning, I want to discuss with you something that not only holds great promise for our city, but is also vital to the progress of our nation.

Our country faces a very serious problem. It is one so grievous that future historians will look back at our time and ask, "What were they thinking?"

President George W. Bush said in his 2006 State of the Union Address, "America is addicted to oil" – and that's coming from an oilman. America's dependence on foreign oil produces the greatest voluntary transfer of wealth in the history of the world. Our dependence, in some cases, places the fruits of our labor into the hands of dictators united against the people of these United States. Some experts even say the United States is funding both sides in the Global War on Terror. They are right.

The United States' current transportation energy model, driven by oil, exacts an enormous cost financially and in terms of strategic leverage. To reduce our dependence on oil, developing and diversifying viable American energy sources is required. Given current technology, the time to begin this process is now.

Today I am proposing to make Indianapolis a leader by example on this national and international issue. Although oil-based transportation will remain a staple for a while, new technology available now is making "energy choice" a real alternative.

This morning I signed Executive Order number 6-2012 which will make Indianapolis the first city in the nation to mandate the purchasing of electric cars or plug-in hybrid cars for its entire non-police fleet. I will also outline a plan today that will lead to the conversion of the entire city government fleet to post-oil technology by 2025.

Over the course of the last century, Indianapolis has been a leader in automotive development, so it is perfectly fitting that we lead the way again. Hoosier innovators changed the way our cars brake and shift gears. We led in the advent of front-wheel drive. In fact, many of the safety and engineering features we take for granted in our modern vehicles can be connected to Indianapolis, and Central Indiana – and that "little" track a few miles from here on 16<sup>th</sup> street.

Also, Indianapolis has long been at the center of development of electric and plug-in hybrid vehicles. General Motors developed the world's first electric vehicle here – the EV1. Later, companies like Allison, Delphi and Remy built upon that work to develop hybrid and electric drive solutions for cars and busses. The US Department of Energy and Toyota both recognize Indianapolis as one of the top cities in the nation for plug-in vehicles. It's time for us to build upon that leadership.

The city operates about 500 non-police cars in its fleet. According to this Executive Order, the City will start replacing those vehicles, as needed, with electric vehicles or plug-in hybrid vehicles

Hybrids are not new, but plug-in technology is relatively new. The benefit of plug-in hybrid electric is when the battery runs low; the gas engine can get you where you are going, but then you can plug in your car at home or another location to recharge the battery at a much lower cost than gasoline. We anticipate these vehicles will save taxpayers about \$12,000 per vehicle during their ten-year lifespan.

The next step involves the purchasing of snow plows, trash trucks and even fire trucks that run on Compressed Natural Gas... and finally when the technology is ready, the use of electric or plug-in hybrid police cars. All told, my goal is for the entire Indianapolis vehicle fleet to run on fuel other than oil by 2025.

Natural gas options already exist for many heavy duty vehicles. Cities from New York to California are making the switch. Monarch Beverage announced plans just last week to switch its delivery trucks to CNG. The long-term savings more than offset higher up-front costs. The reason is simple, according to the federal government, Compressed Natural Gas costs about \$1.50 less per gallon than gasoline. Everyone wins. Taxpayers save money. Natural Gas is an abundant domestic energy source which helps our economy and it's another way to reduce our demand for imported oil.

When it comes to police cars, the automobile industry has YET to produce a plug-in hybrid that meets the needs of officers in terms of space, engine power, range and safety.... I want Indianapolis to help the automakers get there quickly. So, our team is currently working with multiple automakers to have IMPD and the City of Indianapolis serve as technical advisors, test drivers and eventually the proud users of the first plug-in hybrid police vehicle.

Our police cars are not fuel efficient. They average about ten miles to the gallon, which is similar to a Hummer H2. Our police fleet consumes over two million gallons of gas a year. If the city could get a plug-in hybrid police car that averages just 40 miles a gallon, and still provide all the necessary features needed by our officers, we could save taxpayers six to ten million dollars a year – and again reduce our dependence on oil!

In the long-term, and I don't want this point to be lost, Indianapolis will serve as a model for other government units and companies, so that electric and plug-in hybrid vehicles will be a part of a sensible and comprehensive solution to reducing America's dependence on foreign oil.

Indianapolis already has a head start thanks to the great work of Energy Systems Network and its partners at IPL, Duke Energy, Denison Parking, Simon Property Group, IU Health, and Eli Lilly. Over 200 electric vehicle charging stations can be found around the area, including more than 50 public stations where motorists can plug-in and recharge.

This process will not occur overnight, but the steps outlined here will propel Indianapolis to having a total post-oil government fleet by 2025. That means every city government vehicle will be powered by more than just oil. This will require some technological improvements, infrastructure investments, great partners and a commitment from city leaders, but it can be done.

These steps, while big for the city, could help lead the way and show other governments and people the choices they have. We will be encouraging other cities, states and companies to make the change.

Now, it is in our vital national security interests that we break this cycle of oil dependence. We must do all in our power to reduce the amount of America's treasure that we send to those who seek to profit from our oil dependence – and when I say America's treasure that includes flesh and blood along with dollars!

Let me go through a bit of history. The United States dependence on oil for use in transportation comes at a high cost – both in terms of dollars and lives. In 1973, the oil rich countries of the world, primarily OPEC, levied an oil embargo in response to the United States supporting Israel during the Arab-Israeli conflict. This embargo resulted in Americans waiting in line for hours for ten dollars of gas. Oil prices tripled. But most ominously, OPEC understood that they held the power to affect our standard of living.

Unfortunately, America did not learn its lesson from the embargo nor break its habit. We made it worse. Our reliance on foreign oil increased from 28% in the early 1970's to 42% in the mid-1980's... to 60% just a few years ago.

But in 1990-1991 came the Gulf War. That conflict was about many things: freedom, drawing a line in the sand against a brutal dictator, and economic and global security... but make no mistake... underlying all of it was oil. Former Secretary of State James Baker told PBS, the vital national interest in fighting the Gulf War was to "secure access to the energy resources of the Persian Gulf." Senator Richard Lugar wrote, "The underlying goal of the U.N. force, which included 500,000 American troops, was to ensure continued and unfettered access to petroleum."

The possible disruption to the flow of oil mandated action from the West then... and it continues today at great cost. According to the Congressional Research Service, the Gulf War cost approximately \$61 billion. According to a 2009 study from the Rand Corporation, the U.S. currently spends between \$67 and \$83 billion a year protecting worldwide oil infrastructure, plus billions more for military operations. The Global War on Terror, which is not a direct response to oil, but has a role in stabilizing the oil rich Middle East, has cost more than a trillion dollars. And, the softer costs of this war are expected to cost trillions more.

What I said earlier, bears repeating -- many experts correctly make the case that the U.S. is funding both sides of the Global War on Terror. Think about that. The money we use to buy oil in many cases flows directly to those hostile to the values of the United States. These regimes use this money to fund terror cells that buy the weapons used to kill American men and women.

Oil dependence also has an impact outside of military operations. Imported oil accounted for over half of our trade deficits, even as recently as 2008 and 2009. Almost all economic downturns in the last three decades have had an oil price spike associated with them.

The cost of our oil dependence is real and enormous in terms of dollars, the human toll on our troops and their loved ones, and the strategic decision making of our government. Over the last 40 years, our nation has been consistently hampered by our necessity to negotiate with the specter of oil dependence in the forefront of our national leaders' thoughts. In a speech to the Brookings Institute, Senator Lugar said, "no one who is assessing the decline of American leverage around the world due to our energy dependence can fail to see that energy is the albatross of U.S. national security." Former Secretary of State Condoleezza Rice told the Senate Foreign Relations Committee, "The politics of energy is warping diplomacy around the world." Certainly the flow of oil revenue to Iran and other hostile nations helps insulate them from international pressure and inoculates them from sanctions designed to end various atrocities and bring them into the world of peaceful nations.

Don't be fooled by the recent increase in U.S. oil production. The Energy Security Leadership Council, which includes over a dozen retired Generals and Admirals, says even though increased domestic oil production is good, "it alone will not insulate America from the risks of oil dependence."

Energy should not be a weapon. Right now it is. Oil dependent countries, such as the United States, are being held hostage. The time has come to reverse that trend.

Energy independence is not the relevant term. Energy choice is. Consumers need a choice. Our nation needs a choice. And, the world needs a choice.

Because of current technology, now is the time to take action. As a Mayor, as a Marine, as a Gulf War Veteran, as a father and as a citizen, I hope that by our action, Indianapolis can begin

to change the course of the last 40 years. I ask that other cities, states, and companies follow in our footsteps, and that the federal government rise to the occasion.

Again I echo Senator Lugar's words, "We have made choices, as a society, which have given oil a near monopoly on American transportation. Now we must make a different choice in the interest of American national security and our economic future."

This choice will save lives. It will save taxpayer dollars and it will shift the balance of global strategic power.

Vietnam veterans revere their legacy that no serviceperson will ever return to the United States to the shameful reception they received. Let the legacy of the veterans of the Gulf War and War on Terror be that no serviceperson will set foot on a future battlefield due to energy dependence by Western nations – a dependence that often leads to poorly leveraged strategic decisions based on needed energy sources.

It can be done. It must be done. And we will do it.